

U.S. Department of Justice



*United States Attorney
Eastern District of Arkansas*

FOR IMMEDIATE RELEASE
December 9, 2011

CONTACT: Christopher R. Thyer
United States Attorney
501-340-2600

**HOSPICE HOME CARE TO PAY \$2,700,000 SETTLEMENT IN
MEDICARE FRAUD CASE**

Little Rock – Christopher R. Thyer, United States Attorney for the Eastern District of Arkansas; Valerie Parlave, Special Agent in Charge of the Little Rock Field Office of the Federal Bureau of Investigation (FBI); and Mike Fields, Special Agent in Charge of Health and Human Services Office of the Inspector General (HHS-OIG) announced today that the United States has settled a federal *qui tam* lawsuit filed under the False Claims Act against a Little Rock hospice and its owners and operators for \$2,700,000.00. The lawsuit, which was filed by Arkansas Hospice, Inc. as relator, alleges that Hospice Home Care, Inc. billed Medicare for general inpatient (acute) care in situations where only routine care was provided. The Government’s investigation revealed that in a large number of those cases general inpatient care was not required.

The False Claims Act allows private citizens or “whistleblowers” to file lawsuits as “relators” against individuals and entities committing fraud upon the federal government. As incentive for coming forward and exposing wrongdoers, the Act provides for monetary rewards to relators and for the payment of attorney’s fees on successful claims.

According to the Complaint in Intervention filed by the United States on July 17, 2009, the alleged conduct began in January of 2002 and continued through December of 2004. During that time period, Hospice Home Care, Inc. (“HHC”), which lacked an inpatient facility, contracted with Parkview Rehabilitation and Healthcare Center (“Parkview”) to provide inpatient care to HHC patients. HHC then billed the Medicare Program for each HHC patient residing at Parkview at the general inpatient level of care. The United States’ review of the medical records

established that, for a vast majority of the days billed, patients needed only routine care. During the relevant time period, general inpatient care was reimbursed by Medicare at approximately \$500 per day, while routine care was reimbursed at only \$115 per day.

“As I stated just over a week ago, we are committed to pursue recovery of funds to be returned to the federal treasury when through fraudulent business practices they are stolen from federal agencies and ultimately, the citizens who need the funds for payment of legitimate claims,” stated Thyer. “This is another excellent result of the dedication by our office and investigative partners to protect the people of this district. We make these cases a high priority and commit to recovery of hard-earned tax dollars for future use by citizens who need them for their medical care.”

Fields added, “Any time greed replaces medical necessity as the primary factor in billing for medical services our most vulnerable citizens, the nation’s elderly, are imperiled. Our HHS OIG agents will continue to work closely with our law enforcement partners to investigate providers who loot the Medicare Trust fund. This settlement represents a significant recovery for taxpayers and should deter similar conduct in the future.”

“The Medicare program is relied upon by millions of our citizens and the hospice benefit is intended to provide compassionate care for those who are near the end of life. The FBI will continue to investigate and prosecute those who defraud the Medicare program or take advantage of their beneficiaries for their own pecuniary gain. Today’s settlement demonstrates the government’s commitment to protect the Medicare program from fraud and abuse and ensure Medicare beneficiaries receive the quality medical care they actually need,” said Parlave.

This case was investigated by the Little Rock Field Office of the Federal Bureau of Investigation and the United States Department of Health and Human Services, Office of Inspector General. The United States is represented by Assistant United States Attorney Shannon S. Smith. The relator is represented by Mitchell, Blackstock, Ivers & Sneddon, PLLC of Little Rock.

###

See “Collections” release on December 1, 2011 at:

http://www.justice.gov/usao/are/news/2011/December/Collections_120111.html